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OPERATIONAL MEMORANDUM

KAPOK B-16-09-b

BSC/0ps/146 Berlin 16 Sep 1947

Chief, Foreign Branch "M"

FROM Chief of Station, Heidelberg, Germany

Contemplated PREGNANT-WEBB Meeting. Total in course fine SUBJECT:

1. The contemplated meeting between a representative of PREGNANT and the notional Mr. WEBB met a temporary stalemate on 28 August 1947, when the US civilian intended to represent WEBB was unable to do so. The civilian, Mr. S. KAGAN. Finance Division OMGUS was called on in his office by and and on 29 August. They outlined to him the essentials of the proposed operation, sufficiently sketchily to preserve its security. KAGAN, who as intelligence Officer of the Finance Division occupies a position of unusual trust, and whose decisions occasionally have far reaching importance both financially and politically, was intellectually interested in the problems the operation presented. For three reasons, however, he believed it would be impossible to take part in it. His first reason was that in order scrupulously to avoid being influenced in any decision he makes in his official position he has had no social contacts whatsoever in Berlin with any other than US officials: and those for the most part only from his own office. He intends to adhere to this self imposed rule, and it would, therefore, be most conspicuous if he inexplicably struck up an acquaintance with a Russian officer. His second reason was that, since his part in the operation would call for the dissemblance of complete good faith with the Russian officer, he would not be able to explain to anyone his reasons for his new interest. Since he himself has been queried a number of times by CIC about US officials evincing an undue friendly interest in Russian officers, he is well aware of the fact that such liaisons times by CIC about US officials evincing an undue friendly interest in Russian officers, he is well aware of the fact that such liaisons do not go unnoticed. Since he now enjoys the complete confidence of the Chief of the Finance Division, as well as other US officials who depend on his intelligence evaluations, he is not willing to take any action which would jeapordize the performance of his own quite important intelligence mission. KAGAN's third reason was the simple one that he works from twelve to fourteen hours a day in his present capacity, having little enough time as it is for relaxation in his own home.

2. As reported in BSC/Ops/138, it had been planned to let PREGNANT know that CAMISADE planned to meet WEBB at 1100 hours before the Marmor Haus (a movie theater on Kurfurstendamm) en 1 September. This had been planned for the purpose of letting PREGNANT see CAMISADE in the company of KAGAN, thus identifying KAGAN with WEBB. These instructions were, however, rescinded, and when CAMISADE met his Russian case officer on 3C August he did not

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broach the subject. PREGNANT did not meet CAMISADE on 30 August, but Maj "ANTONOV" (cf BSC/Ops/131 and 138) came to CAMISADE's lodgings at noon, 30 August, accompanied by PREGNANT's male interpreter. ANTONOV explained that PREGNANT would be away for two months, and in the meanwhile he, ANTONOV, would keep in touch with CAMISADE. He stayed only ten or fifteen minutes, discussing briefly the plan to have WEBB and a Russian officer meet and WEBB's interest in Russian press services. He said he would see CAMISADE again at noon on Saturday, 6 September.

3. On Wednesday, 3 September, CAMISADE's US case officer told him to tell ANTONOV at their next meeting that WEBB had been ordered on temporary duty in Amzone for three weeks to a month.

<u>Field Comment</u>: This interim will give us time to look for someone else to represent WEBB; and it may give CAMISADE an opportunity to draw ANTONOV out further on what they expect to gain from this contemplated meeting.

SC, Berlin

SLP.

Regard your views to above. I find it a little efferieve. MAC